BRITISH COLUMBIA'S | **Knowledge Network:**

Knowledge Network Corporation Service Plan
2014/15 to 2016/17

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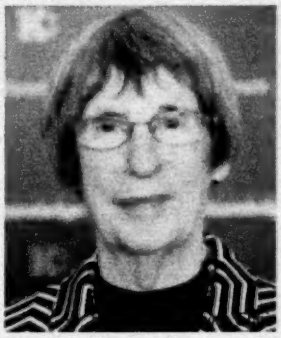
To the Honourable Andrew Wilkinson, Minister of Technology, Innovation and Citizens' Services

On behalf of Knowledge Network Corporation's Board of Directors, I am pleased to submit our 2014/15 to 2016/17 Service Plan.



As British Columbia's public broadcaster we will continue to present diverse points of view that challenge the way we think about current issues and inform decision-making. In today's increasingly complex media landscape, Knowledge Network remains a trusted source for content that encourages dialogue and discovery.

Over the next three years, by leveraging our television, internet and mobile platforms, we aim to strengthen our relationship with viewers and donors across the province. In response to the significant growth in our online services we are launching "Web 3.0", a major redesign and technical upgrading of Knowledge.ca. The new website will include expanded content offerings, personalization and interactive experiences. Knowledgekids.ca, our safe destination for children, will offer new educational games and programs designed to help kids navigate the challenges of understanding their role in the world.

To increase awareness of environmental issues we will broadcast the B.C. premiere of *The Tipping Points*, a documentary series that chronicles Earth's changing climate system. The series follows a group of eminent scientists as they explore the tipping points making weather systems around the world more extreme and unpredictable.

Knowledge Network works with B.C.'s independent content creators to bring audiences diverse stories with global and local viewpoints. For example, in 2014 we will premiere a series of documentaries about the history of the West Kootenays. This project was initiated through a workshop and competition for B.C. filmmakers held in Nelson last year. Our outreach to communities across the province has led to the production of many B.C. stories finding a home on Knowledge Network.

Our major challenge over the next three years is to upgrade and replace our current digital technology. We have prioritized hardware and software upgrades to our broadcast and corporate information systems as part of a six-year, $3.4M capital plan.

Accountability Statement

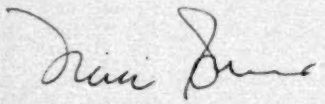
The Knowledge Network Corporation Service Plan was prepared under the Board's direction in accordance with the Budget Transparency and Accountability Act and the B.C. Reporting Principles. The plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of the plan, including what has been included in the plan and how it has been reported.

To the best of our knowledge the significant assumptions, policy decisions, events and identified risks are current and have been considered in preparing this plan. The performance measures presented are consistent with Knowledge Network Corporation's mandate and goals, and focus on aspects critical to the organization's performance. The targets in this plan have been determined based on an assessment of Knowledge Network Corporation's operating environment, forecast conditions, risk assessment and past performance.

By promoting the distinctiveness of British Columbia, our popularity has steadily increased with ever larger audience share and revenues. Our success is possible through the ongoing commitment and support from the Government of British Columbia through the Ministry of Technology, Innovation and Citizens' Services. We are also grateful to our 38,000 Knowledge Partners whose charitable donations fund more than 70% of our programming.

Our 2014/15 to 2016/17 Service Plan sets the course for strengthening relationships with audiences in the digital world, while continuing to invest in original B.C. content and improving long-term sustainability. Through it, we will deepen our engagement with British Columbians, creating new ways for individuals to interact with, and be inspired by, our many content offerings.

Sincerely,



Nini Baird, C.M.
Chair, Knowledge Network Corporation Board of Directors

Organizational Overview

Knowledge Network is British Columbia's public educational broadcaster. Our mission is to provide all British Columbians with a trusted alternative for the commercial-free exploration of life, connecting them to the world through television, internet, and mobile platforms.

Vision

Knowledge Network, as British Columbia's public educational broadcaster, supports lifelong learning by providing quality programming to all British Columbians through television, the web and other emerging technologies.

Enabling Legislation

Knowledge Network is a Crown corporation, created in 2008 under the Knowledge Network Corporation Act.

Our Mandate

The Knowledge Network Corporation Act lists the purposes of Knowledge Network as:

- to carry on the business of broadcasting and communications to provide unique, quality educational programming to British Columbians,
- to promote lifelong learning in British Columbia by providing quality educational programming,
- to inform and educate British Columbians about their province and about issues that are relevant to them,
- to provide British Columbians with a unique television experience, and
- to collaborate with the independent television and web media production sectors in British Columbia.

Core Business Areas

Knowledge Network brings diverse perspectives to viewers in B.C., to challenge assumptions, broaden awareness and spur the acquisition of new knowledge. We do this by:

- distributing commercial-free educational content to all British Columbians through television, internet, and mobile platforms,
- researching, filtering, licensing, and packaging content from British Columbia, Canada, and around the world that supports lifelong learning,
- commissioning, prelicensing, and developing original content from British Columbia, Canada, and around the world for television, internet, and mobile platforms, and
- building and managing the charitable arm of Knowledge Network, including donations, legacy gifts, and bequests.

Principal Partners, Clients, and Stakeholders

Key stakeholders include:

Our Viewers – 1.5 million weekly viewers across British Columbia

Our Ministry – Ministry of Technology, Innovation and Citizens' Services

Our Donors – 38,000 Knowledge Partners

Our Storytellers – the independent production community

Our Partner in BBC Kids – BBC Worldwide

Our Regulator – Canadian Radio-television and Telecommunications Commission (CRTC)

Values

Knowledge Network is guided by these values:

Trust – We serve the public interest and deliver on our brand promise.

Integrity – We work to the best of our abilities, engaging in principled decision-making and ensuring independence in programming.

Respect – We demonstrate due regard for everyone and strive to reflect diverse points of view.

Accountability – We are open, responsible, and transparent in the conduct of our business.

Quality – We strive for excellence in the selection, presentation, and distribution of our programming and in our interactions with all those we serve.

Benefit to British Columbians

Knowledge Network is a public space for independent voices. British Columbians trust us to provide diverse points of view that challenge the way we think about current issues and inform decision-making.

Our cultural, economic, and social benefits to British Columbians include:

Supporting Families Through Literacy and Early Childhood Development
Knowledge Kids is accessible and commercial-free, providing B.C.'s children with a safe and trusted learning environment.

Creating Jobs and Skills Training
Knowledge Network's commissioning and licensing of original content helps B.C.'s independent production sector attract additional financing from provincial, national, and international sources. Through development funding and formal internships with colleges and universities, we reach out to new and emerging talent, providing unique opportunities for professional development in the television and new media workplace.

B.C. Content
Knowledge Network offers programs of direct relevance to British Columbians, cultivating dialogue and encouraging participation in our culturally diverse, vibrant, and dynamic province.

Viewer Supported, Viewer Focused
British Columbians contribute to the success of Knowledge Network. As a viewer-supported public broadcaster, we deliver significant, high-quality content that is informed by the interests of our audience.

Accessible and Commercial-free
Knowledge Network has mandatory carriage on cable and direct-to-home satellite. Most of our programs are also available for free viewing at Knowledge.ca and Knowledgekids.ca. Our programming has no interruptions, no commercial advertising and is closed captioned on-air and online.

How We Deliver Services

Knowledge Network delivers educational content to British Columbians via television through mandatory carriage on cable, direct-to-home satellite, IPTV services, and at Knowledge.ca, KnowledgeKids.ca and mobile platforms. We develop, prelicense, and commission documentaries for broadcast on Knowledge Network. We serve as a resource for independent producers across traditional and interactive media sectors for the creation of multi-platform content.

Governance

The corporate status of Knowledge Network is governed by the Knowledge Network Corporation Act of British Columbia.

Minister of Technology, Innovation and Citizens' Services

Honourable Andrew Wilkinson

Board of Directors

Nini Baird, C.M., Chair

President and Chief Executive Officer

Rudy Buttignol

Senior Management

Tracey Balogh	**Director of Human Resources**
Murray Battle	**Director of Independent Production and Presentation**
Oliver Eichel	**Director of Broadcast Operations**
Jeffrey Lee	**Director of Finance**
Sarah MacDonald	**Director of Business and Partnerships**
Glenna Pollon	**Director of Government Relations and Communications**
Lisa Purdy	**Director of Knowledge Kids and BBC Kids**
John Reid	**Associate Director of Business Affairs**
Ravi Singh	**Director of Interactive**

Knowledge Network holds two other designations that inform our organizational and business decisions:

1. Knowledge Network is licensed through the Canadian Radio-television and Telecommunications Commission (CRTC) to broadcast educational programming in British Columbia.
2. Knowledge Network is a registered charity, engaging in fundraising activities through our Knowledge Partners program. Funds raised support the acquisition and production of educational and engaging content from British Columbia and around the world.

Board of Directors

The Board of Directors of Knowledge Network are appointed by the Lieutenant-Governor in Council. The Ministry of Technology, Innovation and Citizens' Services is responsible for policy direction, while the Board is responsible for operational policy and setting the strategic direction of the organization. The Board also monitors performance based on the Province's planning and reporting principles. The Board delegates responsibility for the day-to-day leadership and management to the President and Chief Executive Officer. Knowledge Network governance practices are in compliance with Board Resourcing and Development Office Governance Guidelines. Knowledge Network's governance and policy information is available at Knowledge.ca/about/governance.

Governance Principles	How They Are Achieved
Ensure broad-based, relevant Board representation.	Recommend individuals from business, education, finance, law, media, and other relevant disciplines.
Promote strategic macro-governance direction.	Work with management to ensure continuous improvement of service delivery.
Maximize value for money.	Operate by demonstrating effectiveness and efficiency in use of resources.
Listen to partners.	Seek and act on input from partners, stakeholders, and the provincial government.
Leverage best practices including the selection of performance measures and targets.	Support the CEO in the development, implementation, and evaluation of a Service Plan that meets goals and objectives set by the Board.

Knowledge Network Corporation Board of Directors (at January 31, 2014)

Board Members	Board Committees
Nini Baird (Vancouver)	Chair, Board of Directors Chair, Human Resources Committee ex-officio Member, all Board Committees
Kevin Brown (Prince George)	Member, Community Outreach and Engagement Committee
Wendy Heskha (Kamloops)	Chair, Community Outreach and Engagement Committee Member, Audit and Finance Committee Member, Strategic Planning Committee
Dr. Jan Lindsay (Comox)	Newly Appointed
Debbie MacMillan (Kelowna)	Member, Community Outreach and Engagement Committee Member, Fund Development and Partnership Committee Member, Strategic Planning Committee
Sinclair Mar (Victoria)	Chair, Governance Committee Member, Audit and Finance Committee Member, Community Outreach and Engagement Committee
Sheila Orr (Victoria)	Member, Fund Development and Partnership Committee Member, Governance Committee Member, Strategic Planning Committee
Mitch Taylor (Vancouver)	Vice-Chair, Board of Directors Chair, Audit and Finance Committee Member, Community Outreach and Engagement Committee Member, Strategic Planning Committee
Marg Vandenberg (Vancouver)	Chair, Fund Development and Partnership Committee Member, Community Outreach and Engagement Committee Member, Governance Committee
All Members	Human Resources Committee

Board Committees

There are six standing Committees that support the role of the Board in fulfilling its obligations and responsibilities to further the goals of Knowledge Network.

Audit and Finance Committee
The purpose of the Committee is to ensure the audit process, financial reporting, budgets, and risk management systems are reliable, efficient, and effective.

Fund Development and Partnership Committee
The purpose of the Committee is to identify new sources of revenue and serve as ambassadors and strategists for fund development activities and for the development of external relationships.

Governance Committee
The purpose of the Committee is to ensure Knowledge Network develops and implements governance objectives and policies.

Human Resources Committee
The purpose of the Committee is to ensure Knowledge Network's compensation and human resource philosophies and strategies are in keeping with our mission, values, and key goals as well as our legislative and government policy guidelines and requirements.

Strategic Planning Committee
The purpose of the Committee is to ensure Knowledge Network's strategic direction meets the public policy objectives identified in the Knowledge Network Corporation Act.

Community Outreach and Engagement Committee
The purpose of the Committee is to provide input, recommendations and feedback on the various outreach and engagement initiatives undertaken by Knowledge Network in order to strengthen our relationship with our viewers and to share our story with them.

Strategic Context

As a federally licensed broadcaster and a provincially mandated public service, British Columbia's Knowledge Network operates in a dynamic environment. Our Service Plan supports both our federal and provincial commitments, and identifies the opportunities and risks we face.

Knowledge Network's mission is to provide a trusted alternative for the commercial-free exploration of life, connecting British Columbians to the world through television, internet, and mobile platforms. We have five strategic goals that will direct the organization's work over the next three years in support of this mission:

Goal 1: Expand digital platforms to serve audiences anywhere, anytime.

Goal 2: Commission original British Columbian content in partnership with independent producers for multi-platform delivery

Goal 3: Engage audiences through personalized, interactive social experiences.

Goal 4: Strengthen the Knowledge Network brand story and share it.

Goal 5: Increase revenue through entrepreneurial and philanthropic initiatives.

Each year, the senior management team at Knowledge Network conducts a risk analysis process to determine the main factors that will affect our ability to achieve intended results.

There are five primary risks that may have an impact on our public service: Digital Technology Upgrades, BDU (broadcast distribution undertaking) Province-wide Distribution, Asynchronous Viewing on Multiple Platforms, Revenue Generation - BBC Kids and Broadband Costs.

The following table outlines the opportunities and mitigation strategies in place to address these risks.

Area of Risk	Risk Factors and Sensitivities	Opportunity	Mitigating Strategies
Digital Technology Upgrades	Aging equipment may impact delivery and quality of service on multiple platforms.	New technologies are more efficient improving workflow and service delivery.	Prioritize hardware and software upgrades to our broadcast and corporate information systems as part of a six-year, $3.4M capital plan.
BDU (broadcast distribution undertaking) Province-wide Distribution	High Definition channel will displace the Standard Definition channel.	High Definition channel reaches new audience.	Seek regulatory approval on mandatory carriage for both Standard Definition and High Definition services.
Asynchronous Viewing on Multiple Platforms	Building awareness more challenging.	Retain current viewers while reaching new audiences.	Develop methods to reach new audiences.
Revenue Generation - BBC Kids	Increased pressure for more consumer choice may result in deconstruction of favourable pricing model.	Position service as independent and commercial-free.	Work with independent broadcast group to raise awareness of independent channels in vertically integrated ecosystem.
Broadband Costs	With more viewers accessing content online, broadband costs are increasing significantly.	Increased viewership online.	Strengthen charitable messaging on new website.

Our Strengths

To help us achieve our goals and fulfill our mandate, **British Columbia's Knowledge Network:**

- is available any screen, anytime (on-air in both standard and high definition, online at Knowledge.ca and KnowledgeKids.ca, and on tablets and mobile devices)
- averages a 4.4 audience share for our primetime schedule (BBM Canada Fall 2013, Vancouver Extended Market), [1]
- is in good standing with the Canadian Radio-television and Telecommunications Commission,
- maintains strong relationships with the independent production sector in British Columbia and Canada,
- has access to international documentary markets to help finance and promote B.C. documentaries,
- has extensive experience in curating, licensing, and packaging educational digital content,
- has dedicated staff with unique skills and expertise that support our strategic direction,
- generates philanthropic revenue through donations from 38,000 loyal Knowledge Partners and our endowment fund, and
- generates entrepreneurial revenue through media partnerships and operation of a Canadian subscription children's channel.

1. Share is the percentage of the total viewing audience that are tuned in to a particular station. It is based not only on Knowledge Network's performance, but also the performance of other stations in our market.

Goals, Strategies, Measures, Targets, and Benchmarks

Benchmarks

Knowledge Network performance measures are benchmarked against past performance. As of December 2013, there are four public educational broadcasters in Canada, each using distinct measures of success based on their provincial mandates. We continue to explore opportunities to incorporate external benchmarks.

Adjustments

The performance measure Average Weekly Reach (TV Audience) under Goal #1 has been revised as changes to BBM Canada's measurement in western Canada includes audience sample from outside the B.C. market. As a result, Knowledge Network is now reporting audience reach through the Total Reach measurement for the Vancouver/Victoria Extended Market which is fully weighted and balanced.

The performance measure Federal Funding Directed to B.C. Content and B.C. Independent Producers has been revised to better reflect the impact of our investment in original content in B.C. We are now measuring Total B.C. Production Budgets based on projects we commit to on an annual basis.

Goal 1: Expand digital platforms to serve audiences anywhere, anytime.

Media consumption patterns and new technologies continue to evolve rapidly. Viewers now expect access to high quality content, anywhere and anytime they choose. To maintain its relevance, Knowledge Network must ensure its presence on new platforms as they are adopted by consumers.

Strategies

1. Launch a Knowledge Network High Definition television channel.
2. Increase out-of-home viewer access to Knowledge Network, Knowledge Kids and BBC Kids on new mobile platforms, such as the iPad and Android-powered tablet computers.

Measures

Total Reach (TV Audience)
We measure total reach annually for Knowledge Prime (6pm to 12pm) and Knowledge Kids (6am to 6pm) using data from BBM Canada, the national provider of TV, radio and consumer information. Total Reach is the unduplicated number of viewers aged two years or older viewing at least one minute of programming in the Vancouver Extended Market.

Average Weekly Hours Viewed
We measure Average Weekly Hours Viewed for Knowledge Prime (6pm to 12pm) and Knowledge Kids (6am to 6pm) using data from BBM Canada.

Web Visits
We measure Knowledge Network web visits annually for both Knowledge.ca and Knowledgekids.ca using Google Analytics. Visits or sessions are defined as a period of interaction between a visitor's browser and a particular website, ending when the browser is closed or shut down.

Page Views

We measure Knowledge Network web page views annually for both Knowledge.ca and Knowledgkids.ca using Google Analytics. A page view is defined as a view of a page on a site that is being tracked by a tracking code. If a visitor hits reload after reaching the page, this will be counted as an additional page view. If a user navigates to a different page and then returns to the original page, a second page view will be recorded as well.

Total Hours on Site

We track this measure using a customized report that measure the total aggregate time spent on Knowledge.ca and KnowledgeKids.ca by all visitors in hours.

Performance Measures		2012/2013 Actuals	2013/2014 Forecast	2014/2015 Target	2015/2016 Target	2016/2017 Target
TOTAL REACH (TV AUDIENCE)	**Knowledge Prime**	2,483,000	2,275,000	2,275,000	2,275,000	2,275,000
	Knowledge Kids	1,775,000	1,600,000	1,500,000	1,500,000	1,500,000
AVERAGE WEEKLY HOURS VIEWED	**Knowledge Prime**	1,210,870	1,200,000	1,200,000	1,200,000	1,200,000
	Knowledge Kids	307,740	375,000	375,000	375,000	375,000
WEB VISITS	**Knowledge.ca**	645,355	890,000	950,000	1,000,000	1,050,000
	KnowledgeKids.ca	477,237	375,000	425,000	450,000	475,000
	TOTAL	**1,122,592**	**1,265,000**	**1,375,000**	**1,450,000**	**1,525,000**
WEB PAGE VIEWS	**Knowledge.ca**	2,249,000	3,000,000	3,050,000	3,200,000	3,250,000
	KnowledgeKids.ca	929,951	700,000	750,000	800,000	850,000
	TOTAL	**3,178,951**	**3,700,000**	**3,800,000**	**4,000,000**	**4,100,000**
TOTAL HOURS ON SITE	**Knowledge.ca**	188,386	305,000	312,000	325,000	330,000
	KnowledgeKids.ca	138,105	120,000	125,000	130,000	135,000
	TOTAL	**326,491**	**425,000**	**437,000**	**455,000**	**465,000**

Goal 2: Commission original British Columbian content in partnership with independent producers for multi-platform delivery.

The independent production community continues to be a key partner in the creation of original content. Growth in Knowledge Network's access to external project funding together with independent producers' developing expertise in multi-platform storytelling will help ensure that we can share B.C. stories on the platforms consumers desire.

Strategies

1. Invest in British Columbian stories for distribution on multiple platforms.
2. Develop the intellectual property of the Knowledge Kids' characters, Luna, Chip and Inkie, to create new content for children and families.

Measures

Investment in Original Multiplatform Content

Knowledge Network is committed to funding independent production of original content for television and other media platforms.

Total B.C. Production Budgets

Production budgets for all B.C. projects we have committed to in a fiscal year.

Performance Measures	2012/2013 Actuals	2013/2014 Forecast	2014/2015 Target	2015/2016 Target	2016/2017 Target
INVESTMENT IN ORIGINAL MULTIPLATFORM CONTENT	$850,000	$822,500	$900,000	$950,000	$1,000,000
TOTAL B.C. PRODUCTION BUDGETS	$2.3 M	$12 M[2]	$2.4 M	$2.5 M	$2.6 M

2. Knowledge Network supported a significant children's project in 2013/14. Total B.C. production budgets will vary based on the non-cyclical nature of content production.

Goal 3: Engage audiences through personalized, interactive social experiences.

To be sustainable over the long term, Knowledge Network must enhance our ability to engage and attract audiences. By leveraging the most popularly adopted media platforms, we will strengthen our relationship with our 1.5 million weekly viewers by creating personalized experiences with our brand.

Strategies

1. Develop Knowledge Network's interactive initiatives to "pull" viewers into our websites and social networks so that they may engage and interact with our content, complementing the traditional broadcast experience of pushing" content out.
2. Launch personalization features on our web and mobile platforms that are driven by user preferences that encourage participation, such as personal playlists and schedules, recommendations, polls, ratings and commenting.
3. To engage audiences, create affinity clubs, such as Documentary or Drama, where registered members can engage with us and each other regularly through dialogue and discussion on subjects they are passionate about.

Measures

Community Events
Number of events hosted by Knowledge Network in B.C. communities.

Engagement on Knowledge.ca
We will start measuring the number of registered users at Knowledge.ca in Spring 2014.

Number of Games Played at Knowledgekids.ca
We will start measuring engagement on Knowledgekids.ca through user interactions with content tracked independently from a web page or screen load using Google Analytics.

Performance Measures	2012/2013 Actuals	2013/2014 Forecast	2014/2015 Target	2015/2016 Target	2016/2017 Target
COMMUNITY EVENTS	8	12	8	8	8
ENGAGEMENT ON KNOWLEDGE.CA (TBD)	N/A	N/A	Benchmark Year	TBD	TBD
NUMBER OF GAMES PLAYED AT KNOWLEDGEKIDS.CA	539,112	427,000	450,000	475,000	500,000

Goal 4: Strengthen the Knowledge Network brand story and share it.

Knowledge Network has grown from a single analogue television channel to a media network with multiple channels and web offerings. It's imperative that current and prospective audiences identify Knowledge Network as a broadcasting and communication service that is dedicated to serving audiences anywhere, anytime. Now more than ever, the power of online networks offers a cost effective way to tell our brand story to a broader audience.

Strategies

1. Evolve the brand to emphasize that Knowledge Network is British Columbia's multi-channel, multi-platform, commercial-free public service; and strengthen its appeal as an organization with charitable status.
2. Broaden awareness of the Knowledge Kids by participating in events targeted at children and families.
3. Improve the presence and visibility of Knowledge Network throughout the province with events in and outreach to B.C.'s diverse cultural communities.

Measures

Knowledge Network and Knowledge Kids – Brand Awareness

We conduct research each spring using Ipsos Reid's B.C. Reid Express Omnibus Surveys to measure awareness of Knowledge Network and Knowledge Kids in British Columbia. The study is completed using an online survey methodology using a random sample consisting of Ipsos Canadian panel members who are B.C. residents and are at least 18 years of age. The sample is balanced to be representative of the B.C. population according to Statistics Canada on age, gender, income and education.

Performance Measures	2012/2013 Actuals	2013/2014 Forecast	2014/2015 Target	2015/2016 Target	2016/2017 Target
KNOWLEDGE NETWORK – BRAND AWARENESS (New Survey Question)	N/A	Benchmark Year	TBD	TBD	TBD
KNOWLEDGE KIDS – BRAND AWARENESS (New Survey Question)	N/A	Benchmark Year	TBD	TBD	TBD

Goal 5: Increase revenue through entrepreneurial and philanthropic initiatives.

Knowledge Network will continue to improve its long term sustainability. We will build on the success of the BBC Kids channel acquisition by seeking out new opportunities to generate entrepreneurial revenue that can, in turn, support the public service. The new technology systems we now have in place will allow us to expand our philanthropic initiatives in ways that previously were not viable.

Strategies

Philanthropic

1. Convert a larger percentage of our 1.5 million weekly viewers to donors by employing new solicitation tactics enabled by our new constituent relationship management database (CRM).
2. Retain current donors by strengthening relationships through personalized stewardship, increased interaction online and at face to face events, resulting in a higher renewal rate, increased gift size and more additional gifts.
3. Continue and expand our Major Gift and Legacy Gift programs with individual donors.
4. Identify opportunities to solicit corporate financial support.

Entrepreneurial

1. Explore revenue generating opportunities for expanded carriage of the Knowledge Network signal in new markets.
2. Develop partnership opportunities that leverage our broadcasting strengths and align with our competencies.

Measures

Revenue Generated by Knowledge Partner Donations

We measure this activity by tracking Knowledge Partner donations.

Revenue Generated by Entrepreneurial Initiatives

Overall revenue generated from entrepreneurial initiatives is tracked annually.

Performance Measures	2012/2013 Actuals	2013/2014 Forecast	2014/2015 Target	2015/2016 Target	2016/2017 Target
KNOWLEDGE PARTNER DONATIONS	$3.4 M	$3.4 M	$3.4 M	$3.4 M	$3.4 M
REVENUE GENERATED BY ENTREPRENEURIAL INITIATIVES	$350,000	$550,000	$550,000	$550,000	$550,000

Government Letter of Expectations

Below are specific directions outlined in the 2014/15 Government Letter of Expectations and our plans moving forward.

Specific Direction To The Corporation	Knowledge Network Action Plans
Make further progress toward the goals described in KNC's strategic plan. Specific to these goals, KNC will: a. Expand digital platforms to serve audiences anywhere, anytime;	Increase out-of-home viewer access to Knowledge Network, Knowledge Kids on new mobile platforms, such as the iPad and Android-powered tablet computers.
b. Commission original British Columbian content in partnership with independent producers for multi-platform delivery;	Continue to support B.C.-based independent producers access international co-financing and co-production opportunities through documentary commissioning and the Canada Media Fund.
c. Engage audiences through personalized, interactive social experiences;	Launch Knowledge.ca "3.0" with new features to increase engagement with British Columbians.
d. Strengthen the Knowledge Network brand; and,	Continue connecting with communities and organizations across British Columbia.
e. Increase revenue through entrepreneurial and philanthropic initiatives.	Develop partnership opportunities that leverage our broadcasting competencies.
Work to include public literacy television and internet programming focusing on the challenges facing the province, including: a. Seniors' demographic shifts	Continue to offer documentaries with local and global perspectives that challenge assumptions, broaden awareness, and spur the acquisition of new knowledge. Continue to offer commercial-free programs on-air and online for boomers and seniors who are underserved by other broadcasters in the B.C. market
b. Early learning initiatives	Expand content offerings at Knowledgekids.ca.
c. Asian trade and cultural awareness	Continue to strengthen our East Is East branded strand, acquiring content from the Asia Pacific region.
d. Health care sustainability	Continue to acquire content for television and the internet that educates children and adults about healthy living. Engage in media partnerships with organizations that have public interest campaigns supporting healthy lifestyles.
e. First Nations communities, culture and issues	Support aboriginal filmmakers in B.C. and Canada through prelicenses, commissions, and acquisitions. Showcase aboriginal programming from local, national, and global perspectives.

Specific Direction To The Corporation	Knowledge Network Action Plans
f. Challenges facing the environment, including climate change	Broadcast *The Tipping Points* documentary series that chronicles Earth's changing climate system. Presented by B.C. journalist Bernice Notenboom, the series follows eminent scientists as they explore the tipping points making weather systems around the world more extreme and unpredictable. Continue to educate British Columbians on challenges facing the environment through compelling and informative documentaries on environmental issues.
g. And economic issues.	Continue to acquire and broadcast documentaries on economic issues from national and global perspectives.
Explore ways to expand opportunities for students through collaboration with public post-secondary institutions and Kindergarten - Grade 12 schools offering media, digital arts and other relevant programs.	Continue to liaise with representatives of B.C.'s post-secondary system to support lifelong learning. Expand current internship program.
Work with partners, including the Province, on programming opportunities that showcase and encourage dialogue on issues of public interest.	Work with the Ministry of Technology, Innovation and Citizens' Services to identify opportunities to expand public engagement on issues of relevance to British Columbians.

Key Assumptions and Financial Risks

Our Summary Financial Outlook is based on the following assumptions:

1. Financial information for Knowledge Network Corporation was prepared based on current Canadian Generally Accepted Accounting Principles (GAAP).[3]
2. Knowledge Network continues to receive the annual operating grant from the Government of British Columbia through the Ministry of Technology, Innovation and Citizens' Services.
3. British Columbians continue to support public educational broadcasting through individual donations and planned giving.
4. Knowledge Network generates new revenue through a management fee from the operation of the Canadian subscription children's channel, BBC Kids.
5. Knowledge Network continues to have equitable access to the Canada Media Fund for original content.

Knowledge Network's plans for the next three years are fully funded through our annual operating grant from the Ministry of Technology, Innovation and Citizens' Services and revenue generated from philanthropic and entrepreneurial initiatives. Our strategic partnership with BBC Worldwide to operate BBC Kids funded in part our high definition channel for our television service and is ensuring a long-term supply of core programming for both BBC Kids and Knowledge Network.

Donations from Knowledge Partners support more than 70% of the programming on-air and online. We have experienced tremendous success with our fundraising efforts but are expecting slower growth in the next few years. The Endowment Fund has also continued to grow and is a vital part of our plan to ensure that commercial-free programming will continue to be available for all British Columbians to enjoy.

Our challenge over the next three years is to begin upgrading and replacing our current digital technology. We have prioritized hardware and software upgrades to our broadcast and corporate information systems as part of a six-year, $3.4M capital plan. Investment in our broadcast and corporate information systems will facillitate delivery of our public service to British Columbians via television, internet, and mobile platforms.

3. The corporation's treatment of broadcast rights is consistent with that established in prior year financial statements. For Public Sector entities specifically, GAAP no longer allows for the capitalization of intangible assets such as broadcast rights. To ensure the ongoing usefulness of the financial statements to users, the corporation will continue to capitalize broadcast rights and amortize them into income as matching revenue is earned.

Subsidiary/Operating Segment Summary Information

Knowledge-West Communications Corporation (KWCC) was incorporated in 1981 and is owned in part by Knowledge Network Corporation. KWCC owns and operates BBC Kids, a Canadian subscription children's channel. The CRTC approved KWCC's acquisition of assets for BBC Kids in April 2011. BBC Kids is a commercial-free service reinforcing the values of both Knowledge Network Corporation and the BBC. KWCC financial results are consolidated under Knowledge Network Corporation's audited financial statements.

Knowledge–West Communications Corporation Board of Directors

Nini Baird, C.M.	Chair
Mitch Taylor	Vice-Chair
Rudy Buttignol	President
Jeffrey Lee	Secretary and Financial Officer
Ann Sarnoff	Director

Senior Management

Rudy Buttignol	President of BBC Kids
Lisa Purdy	Director of Knowledge Kids and BBC Kids

For more information on BBC Kids, visit bbckids.ca

Summary Financial Outlook 2012 to 2017

($m)	2012/2013 Actual	2013/2014 Forecast	2014/2015 (Budget)	2015/2016 (Budget)	2016/2017 (Budget)
REVENUE					
Provincial Operating and Other Grants	6,410	6,260	6,260	6,260	6,260
Donations and Sponsorships	3,439	3,643	3,450	3,450	3,450
Income from Subsidiary	1,430	1,394	1,350	1,350	1,350
Other Revenue	641	860[1]	961	961	961
Amortization of Deferred Contributions	353	244	244	244	244
Total Revenue	**12,273**	**12,401**	**12,265**	**12,265**	**12,265**
EXPENSES					
Salaries and Benefits	4,326	4,491	4,491	4,491	4,491
Amortization of Capital Assets and Broadcast Rights	3,394	3,789	3,789	3,789	3,789
Marketing and Development	1,088	824	835	835	835
Broadcast Platforms and Corporate IT	864	711	700	700	700
Expenses from Subsidiary	350	1,259	1,300	1,300	1,300
Programming and Presentation	584	490	450	450	450
Administration	375	400	350	350	350
General	82	101	100	100	100
Total Expenses	**11,063**	**12,065**	**12,015**	**12,015**	**12,015**
Net Income or (Loss)	**1,210**	**336**	**250**	**250**	**250**
Total Liabilities	**1,990**	**3,573**	**3,329**	**3,085**	**2,841**
Accumulated Surplus[2]	**11,234**	**11,570**	**11,820**	**12,069**	**12,319**

1. Includes endowment contributions received to as per Public Sector Accounting Board guidelines.
2. Includes net asset value of broadcast rights and endowment fund as per Public Sector Accounting Board guidelines.

BRITISH COLUMBIA'S
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BRITISH COLUMBIA